



State of Connecticut Office of Health Care Access Letter of Intent/ Waiver Form (2030)

All applicants must complete a Letter of Intent (LOI) form prior to submitting a Certificate of Need application, pursuant to Sections 19a-638 and 19a-639 of the Connecticut General Statutes and Section 19a-160-64a of OHCA's Regulations. Applicants should submit this form to the Commissioner of the Office of Health Care Access, 410 Capitol Avenue, MS# 13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308.

SECTION I. APPLICANT INFORMATION

If more than two Applicants, please attach a separate sheet of paper and provide additional information in the format below.

	Applicant One	Applicant Two
Full legal name	Eastern Connecticut Health Network, Inc.	
DBA (Doing Business As)		
Name of Parent Corporation	Eastern Connecticut Health Network, Inc.	
Mailing Address, if Post Office Box, include a street mailing address for Certified Mail	71 Haynes Street Manchester, CT 06040	
Applicant type (e.g., profit/ non-profit)	Non-profit	
Contact person, including title or position	Dennis McConville VP, Strategic and Operational Planning	
Contact person's street mailing address	71 Haynes Street Manchester, CT 06040	
Contact person's phone #, fax # and e-mail address	860.533.3429 (phone) 860.647.6860 (fax) dmccconvill@echn.org	

SECTION II. GENERAL APPLICATION INFORMATION

Proposal/Project Title: Picture Archiving and Communication System (PACS) Implementation

Type of Proposal, please check all that apply:

- ☒ Change in Facility (F), Service (S) or Function (Fnc) pursuant to Section 19a-638, C.G.S.
- | | | |
|------------------------------------------------|----------------------------------------|------------------------------------------------------------|
| <input type="checkbox"/> New (F, S, Fnc) | <input type="checkbox"/> Replacement | <input checked="" type="checkbox"/> Additional (F, S, Fnc) |
| <input type="checkbox"/> Expansion (F, S, Fnc) | <input type="checkbox"/> Relocation | <input type="checkbox"/> Service Termination |
| <input type="checkbox"/> Bed Addition | <input type="checkbox"/> Bed Reduction | <input type="checkbox"/> Change in Ownership or Control |

- ☒ Capital Expenditure pursuant to Section 19a-639, C.G.S.
☒ Project cost greater than \$ 1,000,000
☐ Equipment Acquisition greater than \$ 400,000
☐ New ☐ Replacement ☐ Major Medical
☐ Imaging ☐ Linear Accelerator
☐ Change in ownership or control, pursuant to Section 19a-639 C.G.S., resulting in a capital expenditure over \$1,000,000

Location of proposal (Town including street address): 71 Haynes Street, Manchester, CT 06040

List all the municipalities this project is intended to serve: Andover, Ashford, Bolton, Columbia, Coventry, East Hartford, East Windsor, Ellington, Glastonbury, Hebron, Manchester, Mansfield, Somers, South Windsor, Stafford/Union, Tolland, Vernon, Willington

Estimated starting date for the project: 10/05

Type of Entity: (Please check E for Existing and P for Proposed in all boxes that apply)

E	P		E	P		E	P	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Acute Care Hospital	<input type="checkbox"/>	<input type="checkbox"/>	Imaging Center	<input type="checkbox"/>	<input type="checkbox"/>	Cancer Center
<input type="checkbox"/>	<input type="checkbox"/>	Behavioral Health Provider	<input type="checkbox"/>	<input type="checkbox"/>	Ambulatory Surgery Center	<input type="checkbox"/>	<input type="checkbox"/>	Primary Care Clinic
<input type="checkbox"/>	<input type="checkbox"/>	Other (specify): (E) _____			(P) _____			

Type of project: 61 (Fill in the appropriate number(s) from page 4 of this form)

Number of Beds (to be completed if changes are proposed)

Type	Existing Staffed	Existing Licensed	Proposed Increase (Decrease)	Proposed Total Licensed

SECTION III. ESTIMATED CAPITAL EXPENDITURE INFORMATION

Estimated Total Capital Expenditure: \$ 4,213,933

Please provide the following breakdown as appropriate:

Renovations	\$ 35,000
New Construction	\$
Fixed Equipment	\$
Movable Equipment	\$
Fair Market Value of Leased Space	\$
Fair Market Value of Leased Equipment	\$ 3,673,933*
Other: network upgrade, Meditech interface	\$ 505,000

Note: The aggregate of all categories should equal the estimated total capital expenditure.

"Other" includes any category not listed above, (e.g., land acquisition, service agreement, fees, etc.)

* Includes PACS software and hardware, storage, CR to convert images to digital format, and professional services to implement the PACS system.

Major Medical equipment acquisition:

Unit Type	Model	Name	Number of Units	Cost

Type of financing or funding source (more than one can be checked):

- | | | |
|--------------------------------------------------------|-----------------------------------------------------|--------------------------------------------|
| <input checked="" type="checkbox"/> Applicant's Equity | <input checked="" type="checkbox"/> Lease Financing | <input type="checkbox"/> Conventional Loan |
| <input type="checkbox"/> Charitable Contributions | <input type="checkbox"/> CHEFA | <input type="checkbox"/> Grant Funding |
| <input type="checkbox"/> Other (specify): _____ | | |

SECTION IV. PROJECT DESCRIPTION

Please attach a separate 8.5" X 11" sheet(s) of paper and provide no more than a 2 page description of the proposed project, highlighting all the important aspects of the proposed project. Please be sure to address the following:

1. What are the anticipated payer sources?
2. Identify any unmet need and how this project will fulfill that need.
3. What is the effect of this project on the health care delivery system in the State of Connecticut?
4. Are there any similar existing providers in the proposed geographic area?
5. Why should this project be approved?
6. Who will be responsible for providing the service?
7. Who is the target population?

If requesting a Waiver of a Certificate of Need, please complete Section V.

SECTION V. WAIVER INFORMATION

I may be eligible for a waiver from the Certificate of Need process because of the following: (Please check all that apply)

- ☐ This request is for Replacement Equipment
- ☐ The original equipment was authorized by the Commission/OHCA in Docket Number: _____
- ☐ The cost of the equipment is not to exceed \$2,000,000
- ☐ The cost of the replacement equipment does not exceed the original cost increased by 10% per year.

Please complete the attached affidavit.

For Office Use Only:

Action taken:

- | | |
|-------------------------------------------------|----------------------------------------|
| <input type="checkbox"/> Waiver Approved | <input type="checkbox"/> Waiver Denied |
| <input type="checkbox"/> Appropriate Forms Sent | List of the forms sent: _____ |

AFFIDAVIT

Applicant: Eastern Connecticut Health Network, Inc.

Project Title: Picture Archiving and Communication System (PACS) Implementation

I, Peter J. Karl, President and Chief Executive Officer
(Name) (Position – CEO or CFO)

of Eastern Connecticut Health Network, Inc. being duly sworn, depose and state that the information provided in this CON Letter of Intent/Waiver Form (2030) is true and accurate to the best of my knowledge, and that Eastern Connecticut Health Network, Inc. complies with the (Facility Name)

appropriate and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-486 and/or 4-181 of the Connecticut General Statutes.

Peter J. Karl
Signature

8-18-05
Date

Subscribed and sworn to before me on August 18, 2005

Carol Freeman
Notary Public/~~Commissioner of Superior Court~~

My commission expires: 4-30-2009

Picture Archiving and Communication System (PACS) Implementation Eastern Connecticut Health Network, Inc. (ECHN)

ECHN proposes to implement PACS technology to support radiology services across multiple sites in the health system. PACS is a progressive technology that will enable ECHN to improve the care of our patients in a number of ways: reducing turnaround time for diagnostic images to expedite clinical diagnoses; reducing re-takes, which reduces patient exposure to radiation; and simultaneous viewing of images in multiple locations, allowing for real-time consultations with referring physicians.

Across Connecticut, hospitals have begun to adopt PACS as a tool to efficiently deploy resources and increase service to both patients and referring physicians. PACS has been shown to reduce turnaround time on diagnostic test results and to facilitate access to historic images for comparison by radiologists. By improving the workflow in radiology and making images available to both radiologists and referring or consulting physicians simultaneously, patient care is enhanced. For multi-site providers, PACS enables the efficient deployment of radiologists, because images can be read remotely by any radiologist signed on to the PACS network, reducing potential travel time for the radiologists, and making preliminary readings readily available. Additionally, historic images stored in the system can be accessed regardless of where the image was taken, so patients can have images taken at multiple sites, and still have both current and historic images accessible at all sites to all radiologists. However, images acquired prior to PACS implementation will not be digitized.

In addition, there are economic incentives for community hospitals to invest in PACS. Radiology, or Medical Imaging, services are critical to the financial health and success of small hospitals, and are increasingly provided by niche competitors and private physician groups in the community. In order to remain competitive in the rapidly evolving health care market place, hospitals must utilize their limited resources as effectively and efficiently as possible. PACS is an investment that is typically expected to cause a small loss or break-even in the first few years of use. While the initial investment is significant, cost savings result from reductions in film costs, storage space, record maintenance, and "re-takes" caused by insufficient image quality or lost film.

While all hospitals have radiology services, within Connecticut a small number (Day Kimball Hospital, Hartford Hospital, St. Francis Hospital, Stamford Hospital and Backus Hospital) have adopted PACS. ECHN is not aware of any freestanding imaging centers using PACS at this time.

The payor mix, providers of the service, and target population for radiology services at ECHN will not change as a result of this proposal, because it is a support service to ECHN's current clinical services. The only noticeable impact to payers and patients will be improved patient care through reduced imaging turnaround times. From the provider point of view, this proposal facilitates the provision of medical imaging services and will modify the work flow processes for radiologists.

The implementation of PACS is expected to begin in the South Windsor Medical Imaging Joint Venture site, then expand to include the two hospital campuses (Manchester Memorial and Rockville General), and finally the ambulatory medical center (Glastonbury Wellness Center). If the Certificate of Need is granted for the proposed Tolland Imaging Service, that site would use PACS as well. Specific implementation plans will be made once a decision has been received from the Office of Health Care Access, however, the South Windsor and Tolland sites will be priorities. Over time, historic images from all sites will be stored to allow for historic comparison of retrieved images across all sites.

Approval of this proposal will allow ECHN to compete more effectively for physician referrals in an increasingly competitive environment. Patient care will be enhanced by reducing turnaround time for diagnostic test results, reducing re-takes, and increasing collaboration between multiple physicians by allowing multiple viewers of the same image to be physically separate from one another. The hospital will benefit from reduced expenses associated with medical imaging services in the form of reduced film costs, reduced storage and file maintenance costs, and potentially reduced length of stay due to the timely provision of images and final reports. ECHN also anticipates that patient care can be better managed in the Emergency Department and Intensive Care Units, where time is critical to quality patient care, and the faster availability of images will enhance the quality of care.